Introduction

• FirstEnergy engagement: Began December of 2018
• Objectives: to assess the state of economic development within the I-79 Corridor with a focus on the aerospace industry
• Process: Discovery, Field Research, Assessment, Recommendations
• Next steps: TBD
## Summary statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Combined Area</th>
<th>Harrison Co.</th>
<th>Marion Co.</th>
<th>Monongalia Co.</th>
<th>Taylor Co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>246,933</td>
<td>67,554</td>
<td>56,097</td>
<td>106,420</td>
<td>16,862</td>
</tr>
<tr>
<td>Total in Labor Force</td>
<td>130,400</td>
<td>34,132</td>
<td>35,169</td>
<td>53,305</td>
<td>7,794</td>
</tr>
<tr>
<td>Total Not in Labor Force</td>
<td>75,168</td>
<td>20,658</td>
<td>10,953</td>
<td>37,511</td>
<td>6,046</td>
</tr>
<tr>
<td>Households with Fewer Cars than Workers</td>
<td>5.6%</td>
<td>5.7%</td>
<td>4.6%</td>
<td>6.4%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Work Commute–Drive Alone or Carpool</td>
<td>88.8%</td>
<td>91.2%</td>
<td>92.1%</td>
<td>84.8%</td>
<td>94.6%</td>
</tr>
<tr>
<td>Work Commute–Public Transport</td>
<td>1.5%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>2.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Work Commute–Walk or Other Means</td>
<td>5.6%</td>
<td>5.1%</td>
<td>3.3%</td>
<td>7.5%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

### Summary statistics - continued

<table>
<thead>
<tr>
<th>Variable</th>
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<th>Harrison Co.</th>
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<th>Monongalia Co.</th>
<th>Taylor Co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household Income</td>
<td>N/A</td>
<td>$48,315</td>
<td>$48,158</td>
<td>$49,624</td>
<td>$45,916</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>17.9%</td>
<td>15.0%</td>
<td>16.1%</td>
<td>21.3%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Percent with Bachelor’s or Higher</td>
<td>28.9%</td>
<td>22.6%</td>
<td>22.0%</td>
<td>39.8%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Percent with only High School</td>
<td>35.6%</td>
<td>37.7%</td>
<td>40.5%</td>
<td>29.2%</td>
<td>44.9%</td>
</tr>
</tbody>
</table>

Drive times from downtown DC

Morgantown and Fairmont are within a four hour drive time.

Federal agencies are increasingly sensitive to resiliency issues and recovery from all forms of disasters.
Pittsburgh

- Nearly all of the I-79 Corridor are within a 120 minute drive of downtown Pittsburgh

- Link via
  - I-79
  - Broadband/pipe

- Higher education
  - Pitt
  - CMU

- National Energy Technology Lab
County rates of unemployment in the Corridor range from 3.2% to 4.4% in September of 2019.

West Virginia’s rate for the month was 4.2%.

The national rate for the same time was 3.7% and the Natural Rate of Unemployment was about 4.4%.
Labor Force Participation Rate (share of residents age 16 and older who are working or looking for work) ranges from 64.3% to 54.8% in the Corridor in September.

West Virginia’s rate was 54.9% in September.

The rate for the United States is 63.2%.
Within the I-79 Corridor and for zip codes where data are available, housing prices between 2017 and 2018 were generally rising.

During the same period, year-over-year price appreciation nationally was between 5% and 6%. The current year-over-year rate of change has slowed to about 2%.
Where I-79 Corridor Residents Commute for Work

71,265 people (of 92,608 or about 77%) live and work within the I-79 corridor.

Source: Census On the Map 2017
16,809 people (of 22,265 or about 75%), ages 29 and younger, live and work within the I-79 corridor.
Where I-79 Corridor Residents Commute for Work; Ages 30 to 54

38,361 people (of 49,815 or about 77%), ages 30 to 54, live and work within the I-79 corridor.
Where I-79 Corridor Residents Commute for Work; Ages 55 and Older

16,095 people (of 20,528 or about 78%), ages 55 and older, live and work within the I-79 corridor.
From Where I-79 Corridor Workers Commute From

71,265 people (of 107,512 or about 66%) live and work within the I-79 corridor.
From Where I-79 Corridor Workers Commute From; Ages 29 and Younger

16,809 people (of 27,215 or about 62%) live and work within the I-79 corridor.
From Where I-79 Corridor Workers Commute From; Ages 30 to 54

38,361 people (of 56,944 or about 67%) live and work within the I-79 corridor.
From Where I-79 Corridor Workers Commute; Ages 55 and Older

16,095 people (of 23,353 or about 68%) live and work within the I-79 corridor.
Net Migration to I-79 Corridor, All Ages

Source: Infutor
**Durable Goods**

**Total Durable Goods Manufacturing**

**Firms: 73**

- Computer & Electronic Products: 3
- Electrical Equipment, Appliance, & Components: 4
- Fabricated Metal Products: 21
- Furniture & Related Products: 3
- Machinery: 17
- Miscellaneous Manufacturing: 7
- Nonmetallic Mineral Products: 6
- Primary Metals: 6
- Transportation Equipment: 2
- Wood Products: 5
Nondurable Goods
Total Nondurable Goods Manufacturing
Firms: 43

- Beverage and Tobacco Products: 7
- Chemical: 13
- Food: 8
- Paper: 5
- Plastics and Rubber Products: 3
- Printing and Related Support Activities: 4
- Textile Mills (except apparel): 2
- Textile Product Mills: 1
Total Professional Scientific and Technical Services Firms: 201

- Accounting, Tax Preparation, Bookkeeping, & Payroll Services: 11
- Advertising & Related Services: 3
- Architectural, Engineering, & Related services: 48
- Computer Systems Design & Related Services: 33
- Legal Services: 43
- Management, Scientific, & Technical Consulting Services: 35
- Professional, Scientific, & Technical services: 13
- Scientific Research & Development Services: 12
- Specialized Design Services: 3
Summary findings: Dichotomies in the market

• **CKB: Some companies use it and some don’t**
  - Asset for on-site entities
  - Not for freight: largest share moves by truck

• **Industry 4.0: Some companies will use it and some won’t**
  - Some will necessarily embrace automation, digitalization, artificial intelligence (AI), and the Internet of Things (IoT)
  - Others are more “hands on”; based on either time studies or type of work and products
  - But our sample was small—how prepared are SMEs for Industry 3.0 and 4.0?

• **Workers: some need “trainables” and some need certification and those with training**
Workforce: What we heard

• Able to get and retain workers
  • Mostly recruited locally—at least in production areas
• Affordable housing continues to be an issue
  • Workers
  • Students
• While jobs are available, do they lead to a career?
• Issues of passing drug tests in hiring and retention
• Health issues including obesity
Workforce: More of what we heard

• Talent is scarce
  • Oil and Gas is taking control of the market
  • Charleston is focused on oil and gas
• Challenges in hiring “knowledge” jobs
  • Engineering
  • Software
• Cohesive social ecosystem
K-12 education: What we heard

• Career Technical Education (CTE)
  • Providing pre-reqs for Airframe & Power
  • Career Technical Education (CTE) around aerospace
    • Busing students in
    • Job shadowing
• Focus on middle skills
• Companies think it is a pretty good school system
• Pathway for parents
• Project Lead The Way—expose 6th to 8th graders to area industries, medical, energy, aerospace
Higher education: What we heard

• Pierpont
  • Airframe & Power certifications
  • Well tied to high schools
  • Need to create more apprenticeships

• Fairmont
  • Good technology
  • Flight school

• WVU
  • Good engineering
  • But where are they?

• Role of internships: critical path for recruiting
Site Selector Perspective: What we heard

- Workforce challenges (see above)
- Need for modern industrial and R/D type facilities
- Speculative development is challenge
- “Shovel Ready” sites are rare
- Housing is challenge (all income levels)
- Fragmented approach to economic development
- Overall tone of enthusiasm and optimism
I-79 Corridor Available Industrial Buildings
I-79 Corridor
Average Age of Industrial Building Stock
## I-79 Corridor Industrial Market Overview

### Key Metrics

#### Availability

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant SF</td>
<td>1.1 M</td>
</tr>
<tr>
<td>Sublet SF</td>
<td>0</td>
</tr>
<tr>
<td>Availability Rate</td>
<td>74.1%</td>
</tr>
<tr>
<td>Available SF</td>
<td>1.2 M</td>
</tr>
<tr>
<td>Available Asking Rent/SF</td>
<td>$4.53</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>33.9%</td>
</tr>
<tr>
<td>Percent Leased Rate</td>
<td>33.9%</td>
</tr>
</tbody>
</table>

#### Inventory

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Buildings</td>
<td>49</td>
</tr>
<tr>
<td>Under Construction Avg SF</td>
<td>-</td>
</tr>
<tr>
<td>12 Mo Demolished SF</td>
<td>0</td>
</tr>
<tr>
<td>12 Mo Occupancy % at Delivery</td>
<td>0%</td>
</tr>
<tr>
<td>12 Mo Construction Starts SF</td>
<td>5.4 K</td>
</tr>
<tr>
<td>12 Mo Delivered SF</td>
<td>10 K</td>
</tr>
<tr>
<td>12 Mo Avg Delivered SF</td>
<td>10 K</td>
</tr>
</tbody>
</table>

#### Sales Past Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asking Price Per SF</td>
<td>-</td>
</tr>
<tr>
<td>Sale to Asking Price Differential</td>
<td>-</td>
</tr>
<tr>
<td>Sales Volume</td>
<td>$0</td>
</tr>
<tr>
<td>Properties Sold</td>
<td>0</td>
</tr>
<tr>
<td>Months to Sale</td>
<td>-</td>
</tr>
<tr>
<td>For Sale Listings</td>
<td>17</td>
</tr>
<tr>
<td>Total For Sale SF</td>
<td>241 K</td>
</tr>
</tbody>
</table>

### Demand

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Mo Net Absorp % of Inventory</td>
<td>-8.3%</td>
</tr>
<tr>
<td>12 Mo Leased SF</td>
<td>1.3 K</td>
</tr>
<tr>
<td>Months on Market</td>
<td>18.4</td>
</tr>
<tr>
<td>Months to Lease</td>
<td>-</td>
</tr>
<tr>
<td>Months Vacant</td>
<td>-</td>
</tr>
<tr>
<td>24 Mo Lease Renewal Rate</td>
<td>11.8%</td>
</tr>
<tr>
<td>Population Growth 5 Yrs</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

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17 Site Selection Influencers

- Availability of Skilled Labor
- Talent Acquisition/Creation
- Quality of Place
- Occupancy OR Construction Costs
- Available Buildings
- Labor Costs
- Corporate Tax Rate/Business-Friendly
- Proximity to Major Markets
- Housing Stock

- State and Local Incentives
- Energy Availability and Costs
- Corporate Business Strategy
- Highway Accessibility
- Information Communication Technology (ICT)
- Image Matters
- Supply Chain
- Stability of Community Infrastructure
17 Site Selection Influencers

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- Energy Availability and Costs
- Corporate Business Strategy
- Highway Accessibility
- Information Communication Technology (ICT)
- Image Matters
- Supply Chain
- Stability of Community Infrastructure
Recommendations and opportunities

• Articulate BRAND !! Who and What You Are
  • Regional vision
  • One voice as a region
  • Long-run strategy

• Regional marketing
  • Naming and identity is a challenge
  • Engage I-79 Corridor?

• Market study
  • Housing—notably affordable for emerging workers and students
  • Services
  • Commercial/Industrial/Flex
Recommendations - continued

- Marketing campaign:
  - Raise campaign funding
  - Industry conferences
  - Road show to targets
  - Raise campaign funding
  - Who are the leaders?
  - Site selector reach out
  - Location Quotient exercise

- Commit to a 5–10 year strategy campaign/hire experts to guide you
- Leverage state resources
- Engage “higher ed” as partners
- Spec building strategy
Recommendations - continued

• Develop an ED Strategy (CED)
  • Target supply chain:
    • Goods suppliers
    • Services (contractors)
  • Collaborate
  • Develop KPI’s
  • “Stay the course”

• Champion: this may be the most important
Questions and comments?

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  • Juniper Solutions CRE
  • 216-408-7270
  • dburnside@junipercre.com

• Jim Robey
  • W.E. Upjohn Institute for Employment Research
  • 269-385-0450
  • jrobey@upjohn.org
Net Migration to I-79 Corridor, Ages 25 to 34
Net Migration to I-79 Corridor, Ages 35 to 54

Source: Infutor
Net Migration to I-79 Corridor, Ages 55 and Older

I-79 Corridor Net Migration
# of Persons Per MSA (2013 to 2019); Ages 55 Plus
- <5
- 5 to 10
- >10
- I-79 Corridor
- Primary Roads

Source: Infutor